<u>REMARKS</u>

Reconsideration of this application, as amended, is respectfully requested. The amendments to claims 1 and 14 are supported by the specification as filed, for example at paragraph 33. No new matter is being added.

The present claims are patentable over US Patent 5,764,804 to Yajima, which describes a data encoding/decoding system that uses reference pixels. For each pixel undergoing processing, the reference pixels are the immediately preceding pixel and the subject pixel's surrounding pixels. Yajim at col. 1, 11, 31-35. In contrast, the present claims recite the use of reference pixel value sets that correspond to pixel(s) having most significant color component intensity values for pixels within a video frame from which encoded video data tables (or encoded pixels) were produced. These are quite distinct from the kinds of reference pixels described by Yajima, hence the claims are all patentable over this reference.

None of the other cited references, US Patent 4,730,214 to Lambert, US Patent 6,662,309 to Ando, US PG PUB 2003/0084462 to Kuboto, US Patent 5083195 to Evelin, or US Patent 6,118,823 to Carr, teach or suggest the use of reference pixel value sets that correspond to pixel(s) having most significant color component intensity values for pixels within a video frame from which encoded video data tables (or encoded pixels) were produced, as claimed. Therefore, combining the teachings of these references, whether individually or collectively, with those of Yajima will still not yield the present invention. Hence, the claims are patentable over any and all combinations of these references.

If there are any additional fees due in connection with this communication, including fees for any extensions of time, please charge Deposit Account No. 19-3140.

Respectfully submitted, SONNENSCHEIN NATH & ROSENTHAL LLP

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